projects, slow down in general investment climate, economic slow down in US and other economies of the world and comparatively lower agriculture production resulting in lower aggregate demand.

As regards development in the stock markets, it may be mentioned that price fluctuations on stock markets are influened by multiple factors, which include expectations of investors regarding the performance of the corporate sector and the economy in general, about economic policies of the Government, developments in international capital markets, etc. SEBI has intimated that stock markets all over the world are getting more dominated by technology, media and telecom sectors. The performance, of these sectors has been volatile and the methods of valuations have not yet been standardised. This creates uncertainty in the minds of investors which results in trading being more sentiment driven and less related to fundamentals. A year ago the markets viewed these stocks as having unprecedented growth prospects. Recently earnings of these companies have started to fall short of market expectations resulting in market disenchantment with these stocks. The other factors adversely affecting the stock markets are slowing down of industry, export growth etc.

(b) Ministry of Commerce and Industry has intimated that several policy initiatives have been taken to boost industrial production. These measures have been targeted to improve competitiveness of Indian industry in general, to increase aggregate demand, improve infrastructure base, upgrade technology, introduce labour flexibility and encourage foreign direct investments. Regarding steps taken to tackle the problems in the stock market, SEBI has intimated that while fluctuation in markets is on account of various factors, the principal concern of SEBI is to ensure that the markets are safe and fair. To ensure this, SEBI has put in place several survelliance and risk containment measures like capital adequacy norms, margining system, exposure controls and price bands.

Performance of private insurance companies in helping farmers

3915. SHRI C. P. THIRUNAVUKKARASU : Will the Minister of Finance be pleased to state:

(a) whether Private Insurance Companies are helping the farmers and artisans living in rural areas; and

(b) if so, details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) and (b) Private insurance companies are under obligation to underwrite a certain percentage/number of policies for rural sector and social sector as per IRDA (Obligations of Insurers to Rural or social Sectors) Regulations, 2000 laid on the Table of the House on 22nd August, 2000.

RBI's advise against payment to Skybiz

3916. SHRI SURYABHAN PATIL VAHADANE : Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "RBI had advised banks against payment to Skybiz" appearing in the Hindustan Times dated 22nd May, 2001 ;

(b) if so, the details thereof;

(c) the amount of foreign money accepted by the company in 2000 and 2001;

(d) whether they have refunded the matured amount to the investors;

(e) if so, the details thereof;

(f) if not, the reasons therefor;

(g) whether the company has violated provisions enshrined in FERA; and

(h) if so, the action taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN) : (a) Yes, Sir.

(b) On the basis of references received by the RBI seeking approval for effecting remittances in foreign currency towards purchase of web-sites, it has issued instructions prohibiting the authorised dealers in foreign exchange from allowing remittances against those schemes which lead to money circulation by enrolling new members. However, remittance can be allowed if the dealers are satisfied that the web-site is being sold unconditionally and the remitter would not use it for the purpose of adding further members to the chain.